

Public Forum For the 7th Annual CMRS Competition Report

Federal Communications Commission

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Econ One's Wireless Survey

- Top 25 Markets Since September 1999.
- Not a consumer questionnaire
 - It is a “Survey” of Wireless Plans
 - Data from Carriers' Web sites
- Survey Entails collection/analysis of over 2,500 pricing plans each month.
- Four usage levels analyzed: 30, 150, 300, and 600 minutes per month.
- Three different Peak/off-peak assumptions.



Econ One's Wireless Survey...

- Does not estimate “average cost of service.”
- not attempt to value roaming or long distance.
- Does provide insight into service cost trends.
 - Allows for inter-city trend and intra-carrier cost

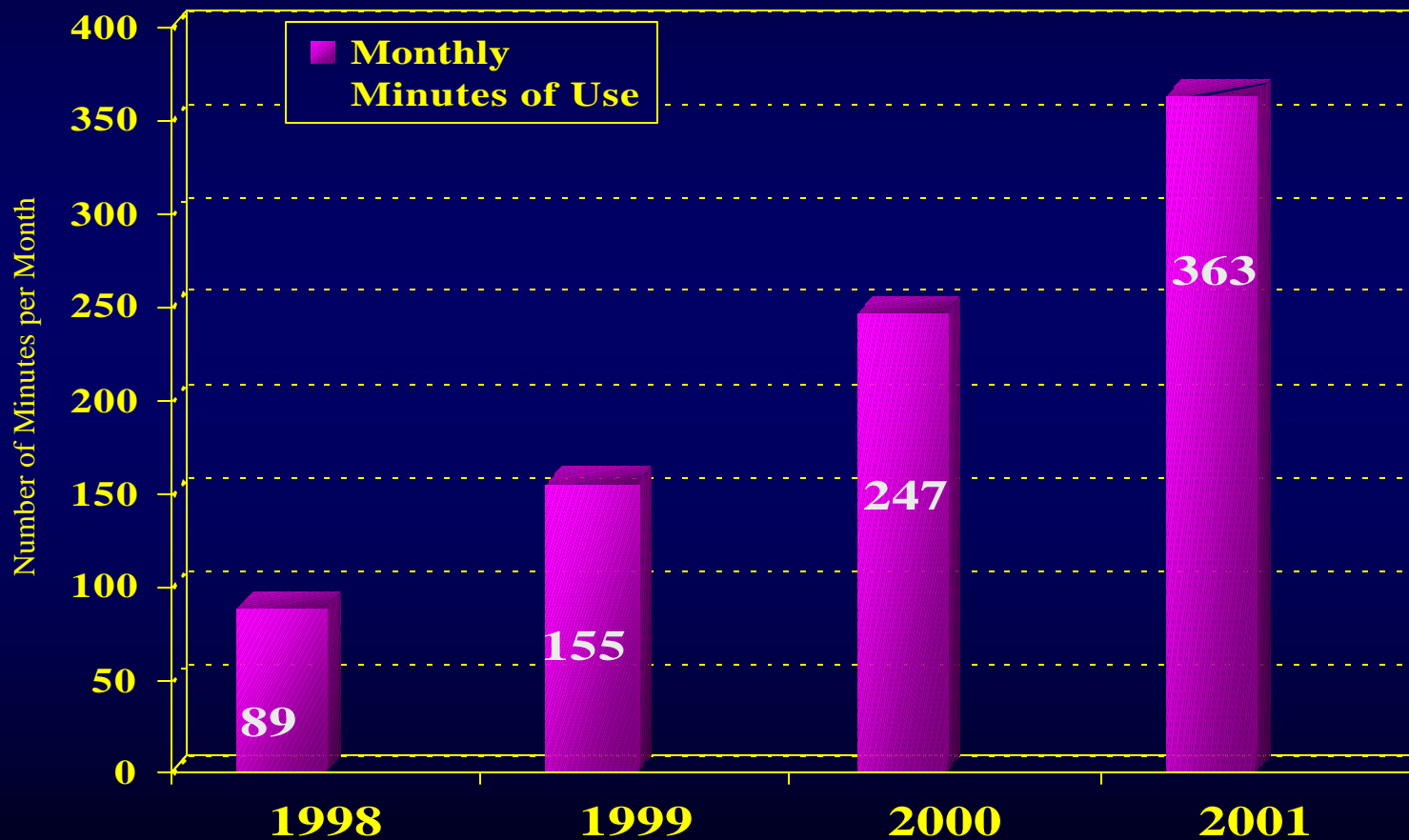


Wireless Performance/Cost of Service Trends

- Demand for Wireless Service Continues to Grow
 - Penetration and usage (MOU) continue to rise
- Cost of Service Continues to Fall
- Footprints are Getting Larger
- Localized Pricing is being Replaced by Regional/National Plans



Wireless Monthly Minutes of Use (MOU)



Source: IDC, RCR News, May 15, 2000, "The Wireless Industry Scorecard," Legg Mason, 3Q 2001.

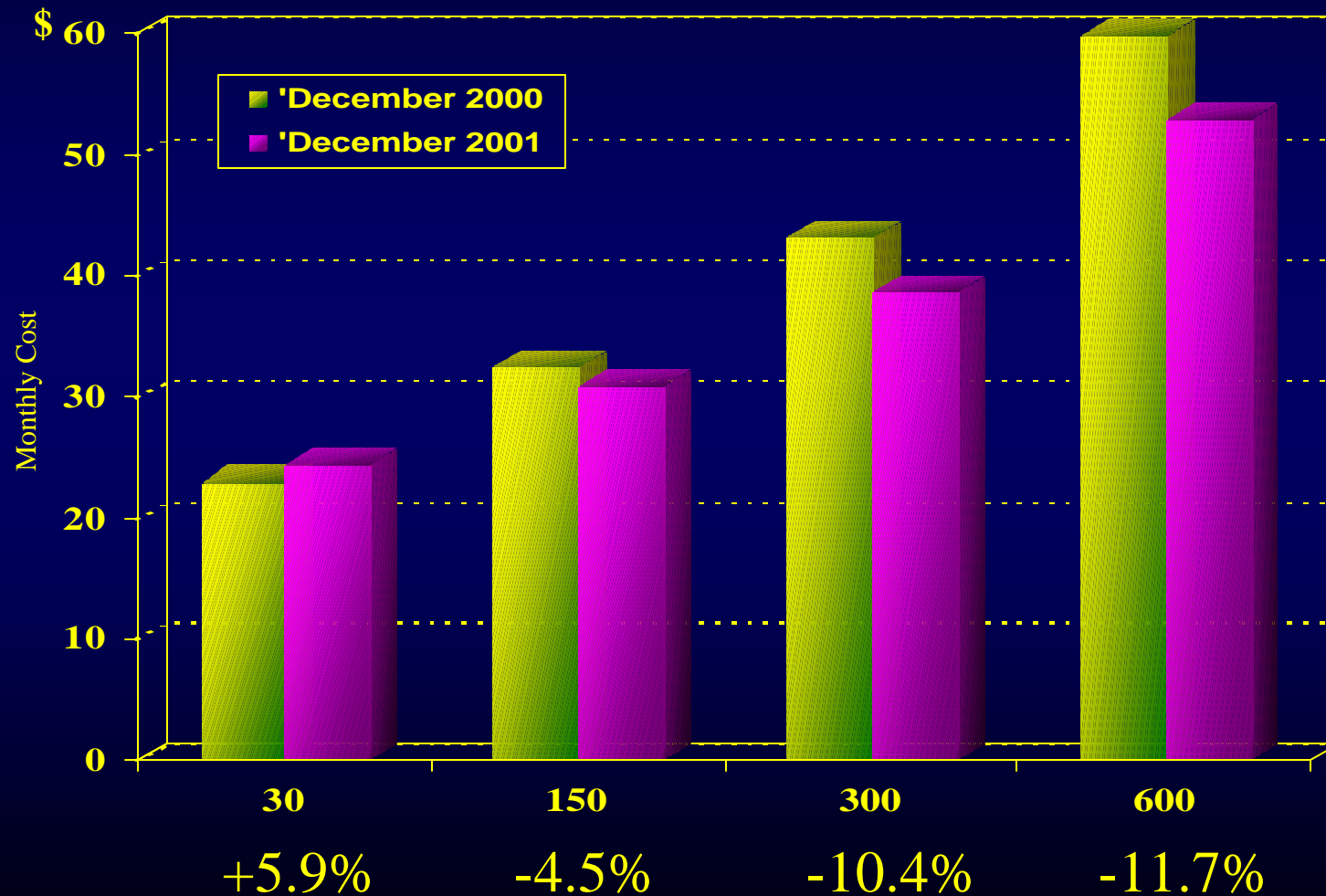
Wireless Pricing Continues Downward Trend

**From December 2000 to December 2001
average service rates based on the four usage
buckets included in our survey fell by 7.3%.**

This decline followed a nearly 7% decline in



Wireless Pricing Continues Downward Trend



Source: Econ One Research, Inc. Monthly Wireless Survey.



Wireless Performance/Cost of Service Trends

- The most expensive city was almost 34% more expensive than the least expensive city in
- The gap fell to 8% by December 2001.



Difficulties in Calculating an Index of Cost of Service

- MOU data are hard to come by.
 - City-specific MOU are even more difficult to find.
- Time-of-day usage statistics are not publicly
- Distribution of users by plan type unknown.
- Consumer surveys help—how accurate are they?

Econ One's Findings on "Rural" Market Service Costs

- Conducted 25-market review in October 2001.
 - Market selection not "scientific."
- Average population: 95,611.
 - Versus 4.4 million average population in Top 25 markets.
- Average number of carriers per market: 3.3.
 - Versus 4.9 per market in Top 25 markets.



25 Markets Used in “Rural” Analysis



Econ One's Findings on “Rural” Market Service Costs

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Econ One's Findings on “Rural” Market Service Costs

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Questions and Comments

Presentation Available for Download
at:

